

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TOWNSHIP OF FAIRFIELD

SHIAWASSEE COUNTY, MICHIGAN

MARCH 31, 2006

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name FAIRFIELD	County SHAWANASSEE
Audit Date 3-31-2006	Opinion Date 5-2-2006	Date Accountant Report Submitted to State: 6-14-2006	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	<input checked="" type="checkbox"/>		
Reports on individual federal financial assistance programs (program audits).			<input checked="" type="checkbox"/>
Single Audit Reports (ASLGU).			<input checked="" type="checkbox"/>

Certified Public Accountant (Firm Name) JAMES M. IRELAND, P.C.			
Street Address 6920 S. CEDAR ST., SUITE #3	City LANSING	State MI	ZIP 48911-6924
Accountant Signature James M. Ireland, CPA			

TOWNSHIP OF FAIRFIELD

TOWNSHIP BOARD

Clyde Gilbert	-	Supervisor
Carolyn Long	-	Clerk
Vivian Durling	-	Treasurer
Steve Maynard	-	Trustee
Bonnie Ott	-	Trustee

TOWNSHIP OF FAIRFIELD
SHIAWASSEE COUNTY, MICHIGAN

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JAMES M. IRELAND, P.C.

CERTIFIED PUBLIC ACCOUNTANT
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Independent Auditor's Report

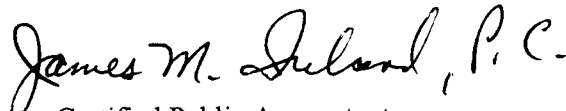
Members of the Township Board
Township of Fairfield
Shiawassee, Michigan

Board members:

We have audited the accompanying general purpose financial statements of the Township of Fairfield as of and for the year ended March 31, 2006, as listed in the table of contents. These general purpose financial statements are the responsibility of the township's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Fairfield as of March 31, 2006, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.


Certified Public Accountant

May 2, 2006

TOWNSHIP OF FAIRFIELD
STATEMENT OF NET ASSETS

March 31, 2006

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash	\$ 203,484
Receivables	5,450
Capital assets:	
Land	\$ 2,300
Other capital assets, net of depreciation	<u>2,900</u>
Total Capital Assets	<u>5,200</u>
Total Assets	214,134
<u>Liabilities</u>	
Accounts payable	<u>-</u>
<u>Net Assets</u>	<u>\$ 214,134</u>
<u>Net Assets</u>	
Invested in capital assets, net of any related debt	\$ 5,200
Unrestricted	<u>208,934</u>
<u>Total Net Assets</u>	<u>\$ 214,134</u>

See accompanying notes to financial statements

TOWNSHIP OF FAIRFIELD

STATEMENT OF ACTIVITIES

For the Year Ended March 31, 2006

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Assets Governmental Activities
Primary government:			
Governmental activities:			
General government	\$ 30,387	\$ 1,793	\$ (28,594)
Public safety	16,646	18,520	1,874
Public works	86,610	42,420	(44,190)
Health and welfare	5,960	-	(5,960)
Culture and recreation	250	-	(250)
Other	3,137	-	(3,137)
Total Governmental Activities	<u>\$ 142,990</u>	<u>\$ 62,733</u>	<u>\$ (80,257)</u>
General Revenues:			
Taxes:			
Property taxes, levied for general purposes			\$ 26,941
State grants			54,270
Unrestricted investment earnings			2,467
Miscellaneous			567
Total General Revenues			<u>84,245</u>
Change in Net Assets			3,988
Net Assets - April 1, 2005			210,146
Net Assets - March 31, 2006			<u>\$ 214,134</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD

BALANCE SHEET - GOVERNMENTAL FUNDS

Year Ended March 31, 2006

	General Fund	Major Funds	Total Governmental General
<u>Assets</u>			
Cash	\$ 107,247	\$ 96,237	\$ 203,484
Receivables	4,400	-	4,400
Due from other funds	1,050	-	1,050
<u>Total Assets</u>	<u>\$ 112,697</u>	<u>\$ 96,237</u>	<u>\$ 208,934</u>
<u>Liabilities</u>			
Accounts payable	\$ -	\$ -	\$ -
Fund balance:			
Unreserved	112,697	96,237	208,934
<u>Total Liabilities and Fund Balance</u>	<u>\$ 112,697</u>	<u>\$ 96,237</u>	<u>\$ 208,934</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUND

For the Year Ended March 31, 2006

	General Fund	Major Funds	Total Governmental Funds
<u>Revenues:</u>			
Taxes	\$ 26,941	\$ 58,440	\$ 85,381
State grants	54,270	-	54,270
Charges for services	1,393	2,900	4,293
Miscellaneous	2,183	851	3,034
Total Revenues	84,787	62,191	146,978
<u>Expenditures:</u>			
General government	28,805	811	29,616
Public safety	-	16,646	16,646
Public works	45,212	41,398	86,610
Health and welfare	5,960	-	5,960
Culture and recreation	250	-	250
Other	3,137	-	3,137
Capital outlay	1,501	-	1,501
Total Expenditures	84,865	58,855	143,720
Excess (Deficiency) of Revenues over Expenditures	(78)	3,336	3,258
Fund Balance, April 1	112,775	92,901	205,676
<u>Fund Balances, March 31</u>	<u>\$ 112,697</u>	<u>\$ 96,237</u>	<u>\$ 208,934</u>
Net change in fund balances - total governmental funds, above.			\$ 3,258

Amounts reported for governmental activities in the statement of activities (Page 3)
are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$1,501) exceeded depreciation (\$771) in the current period.

730

Change in net assets of governmental activities, Page 3.
See accompanying notes to financial statements.

\$ 3,988

TOWNSHIP OF FAIRFIELD

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

March 31, 2006

	<u>Agency Funds</u>
<u>Assets</u>	
Cash	\$ 1,050
Investments	<u>-</u>
<u>Total Assets</u>	1,050
<u>Liabilities</u>	
Due to general fund	1,050
Due to other governmental units	<u>-</u>
<u>Total Liabilities</u>	<u>1,050</u>
<u>Net Assets</u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
NOTES TO FINANCIAL STATEMENTS

March 31, 2006

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity", these financial statements present the Township of Fairfield and its component units. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included.

Basis of Presentation

The accounts of the government are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The financial activities of the Township of Fairfield are recorded in separate funds and account groups, categorized as follows:

GOVERNMENTAL FUNDS

General Fund

This fund is used to account for all financial resources except those provided for in another fund. Revenues are primarily derived from property taxes, State and Federal aid, and charges for services to provide for the administration and operation of: (1) general governmental departments, boards and commissions; (2) law enforcement; and (3) health, welfare and medical assistance. The fund includes the general operating expenditures of the local unit.

Special Revenue Funds

These funds are used to account for specific revenue (other than expendable trusts or major capital projects) derived from State and Federal grants, General Fund appropriations and charges for services which are to be expended for specific purposes as dictated by legal, regulatory or administrative requirements.

FIDUCIARY FUNDS

Trust and Agency Funds

These funds account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include: (a) Expendable Trust Funds; (b) Nonexpendable Trust Funds (c) Pension Trust Fund; and (d) Agency Funds.

TOWNSHIP OF FAIRFIELD
NOTES TO FINANCIAL STATEMENTS

March 31, 2006

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

CASH, CASH EQUIVALENTS, AND INVESTMENTS

For purposes of the statement of cash flows, demand deposits and short-term investments with a maturity date of three months or less when acquired are considered to be cash equivalents.

Investments are stated at cost.

BASIS OF ACCOUNTING

The modified accrual basis of accounting is used by all Governmental Funds, Agency Funds and Expendable Trust Funds. Revenue and other sources are recognized in the accounting period in which they become susceptible to accrual--that is when they become both measurable and available to finance expenditures of the fiscal period. Expenditures are recognized when the related liability is incurred. Modifications from the accrual basis are as follows:

- a. Property tax revenue is recognized in accordance with MCGAA Statement 3:
Properties are assessed and liened as of December 31 and their related property taxes are billed on December 1 of the following year. These taxes are due on February 14 with the final collection date of February 28 before they are added to the county delinquent tax rolls.
- b. Payments for inventoriable types of supplies are recorded as expenditures at the time of purchase.
- c. Normally, expenditures are not divided between years by the recording of prepaid expenses.

Budgets and Budgetary Accounting:

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to December 1, the Supervisor submits to the Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them. The budgets are adopted to the activity level.
2. Public hearings are conducted at the Township hall to obtain taxpayer comments.
3. Prior to February 1, the budget is legally enacted through passage of a resolution.
4. Budgets for the governmental fund types and the expendable trust funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. Budgeted amounts are as originally adopted, or as amended by the Township Board.

TOWNSHIP OF FAIRFIELD
NOTES TO FINANCIAL STATEMENTS

March 31, 2006

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Investments:

Investments are stated at cost.

Property Tax and Delinquent Taxes Receivable

Taxes are levied for the Township on December 1. The Township bills and collects its own property taxes. Property taxes not paid to the Township treasurer by the final due date in March are turned over to the County treasurer. The County purchases the delinquent taxes of the Township and normally remits the taxes to the Township the following year. The taxes paid by the county are included as revenue on the Township's books at the preceding March 31 date.

The 2005 Taxable valuation of the Township totaled \$21,438,676 on which ad valorem taxes levied consisted of 0.9609 mills for operating purposes, 0.9790 mills for fire operations and 1.9788 mills for road improvements. These amounts are recognized in the general, fire and road funds, respectively.

Delinquent Taxes Receivable

	<u>Ovid EMS</u>	<u>Fire</u>	<u>Roads</u>	<u>General</u>	<u>PTAF</u>	<u>Total</u>
2005 Tax Levy	\$4,966	\$16,020	\$42,420	\$20,598	\$6,343	\$90,347
2005 Taxes Collected	<u>4,539</u>	<u>15,411</u>	<u>40,236</u>	<u>19,582</u>	<u>6,089</u>	<u>85,947</u>
2005 Taxes Uncollected	427	609	2,094	1,016	254	4,400
Paid by General Fund	(427)	(609)	(2,094)	3,130	-	-
Delinquent Taxes Receivable, April 1	-	-	-	4,193	250	4,443
Delinquent Taxes Collected	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,193</u>	<u>250</u>	<u>4,443</u>
Delinquent Taxes Receivable, March 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,146</u>	<u>\$ 254</u>	<u>\$4,400</u>
<u>Summary by Year of Levy, 2005</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,146</u>	<u>\$ 254</u>	<u>\$4,400</u>

TOWNSHIP OF FAIRFIELD
NOTES TO FINANCIAL STATEMENTS

March 31, 2006

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

BALANCE SHEET--CASH AND INVESTMENTS

Deposits are carried at cost. Deposits are in one financial institution in the name of Fairfield Township Treasurer. Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations. Investments can also be made in bonds, securities and other obligations of the United States, or an agency or instrumentality of the United States, which are guaranteed as to principal and interest by the United States, including securities issued by the Government National Mortgage Association; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the three highest classifications by not less than two standard rating services which mature not more than 270 days after the date of purchase and which involve no more than 50 percent of any one fund. Michigan law prohibits security in the form of collateral, surety bonds, or other forms for the deposit of public money. Attorney General's Opinion No. 6168 states that public funds may not be deposited in financial institutions located in states other than Michigan. The Township's deposits are in accordance with statutory authority.

The Governmental Accounting Standards Board (GASB) Statement No. 3 risk disclosure for deposits at year end are as follows:

<u>Deposits</u>	
Insured (FDIC)	\$113,826
Uninsured	<u>90,978</u>
Total Deposits	<u>\$204,804</u>

At year end, the balance sheet carrying amount of deposits was \$204,804.

Interfund Receivables and Payables

Interfund receivables and payables as of March 31, 2006 are as follows:

	<u>Receivables</u>	<u>Payables</u>
General	\$1,050	\$ -
Current Tax	<u>-</u>	<u>1,050</u>
<u>Totals</u>	<u>\$1,050</u>	<u>\$1,050</u>

Excess of Expenditures over Appropriations in Budgetary Funds

P.A. 621 of 1978, section 18(1), as amended, provides that a township shall not incur expenditures in excess of the amount appropriated.

TOWNSHIP OF FAIRFIELD
NOTES TO FINANCIAL STATEMENTS

March 31, 2006

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Excess of Expenditures over Appropriations in Budgetary Funds (Cont'd)

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level for the general fund, but no budgets were prepared for any of other governmental funds.

TOWNSHIP OF FAIRFIELD
MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2006

New Financial Reporting

Starting with fiscal year 2005-2006 the Township of Fairfield, Michigan (the "Township") has revised and improved its financial reporting document. These changes are a result of standards set by the Governmental Accounting Standards Board (GASB). The intent of these new standards is to provide citizens, taxpayers, customers, and investors with a better understanding of how the Township's money and other assets are managed.

The new standards set by GASB are intended to give the reader of this annual financial report a better understanding of the financial status of the Township. The new standards introduce accounting rules and systems that are common in the private sector. This report presents a much broader picture of the Township's financial status. Through this comprehensive reporting of assets and liabilities, the reader should have a greater understanding of the Township's financial health.

The discussion and analysis of the Township's financial performance provides an overview of the Township's financial activities for the fiscal year ended March 31, 2006. Please read it in conjunction with the Township's financial statements.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended March 31, 2006:

Total fund balances related to the Township's governmental funds increased by \$3,258.

Using this Annual Report

This annual report consists of a series of financial statements. The statement of new assets and the statement of activities provide information about the activities of the Township of Aurelius as a whole and present a longer-term view of the Township's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the operations of the Township of Aurelius in more detail than the government-wide financial statements by providing information about the Township's most significant funds. The fiduciary fund statements provide financial information about activities for which the Township of Aurelius acts solely as a trustee or agent for the benefit of those outside the government.

The following table shows the changes in net assets during the current year.

TOWNSHIP OF FAIRFIELD
MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2006

Using this Annual Report (Continued)

Revenue

Program revenue:	
Charges for services	\$ 4,293
Property taxes	58,440
General revenue:	
Property taxes	26,941
State grants	54,270
Investment earnings	2,467
Other revenue	<u>567</u>
Total revenue	146,978

Program Expenses

General government	29,616
Public safety	16,646
Public works	86,610
Health and welfare	5,960
Culture and recreation	250
Other	3,137
Capital outlay	<u>1,501</u>
Total program expenses	<u>143,720</u>

Change in Net Assets \$ 3,258

Governmental Activities

The Township's governmental revenues totaled \$146,978 with the greatest revenue source being property taxes. Property taxes make up approximately 58.1% percent of total governmental revenue. Over the past few years, state shared revenue and interest income have both declined.

The Township incurred expenses of \$143,720 during the year.

General Fund Budgetary Highlights

Over the course of the fiscal year, the Township board made necessary budget adjustments to fund unanticipated expenditures during the year. Most departments came in under budget at year end, an overall favorable variance approximately \$8,735 from budget of general fund. Other major funds did not have a budget.

TOWNSHIP OF FAIRFIELD
MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2006

Current Economic Factors

Revenue sharing is the most significant budgetary concern at this time. The State of Michigan is experiencing significant budget problems, and as they look for solutions, revenue sharing continues to be under attack.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Township's finances and demonstrate the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Township Board.

TOWNSHIP OF FAIRFIELD
GENERAL FUND

BALANCE SHEET

March 31, 2006

Assets

Cash in bank - checking	\$ 12,776.05
Cash in bank - savings	94,471.02
Delinquent taxes receivable	4,400.05
Due from current tax fund	<u>1,050.00</u>

Total Assets\$ 112,697.12Fund Balance

Unreserved	<u>\$ 112,697.12</u>
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See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended March 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Revenues</u>			
Taxes:			
Current property taxes		\$ 20,597.79	
Property tax administration fees		<u>6,343.04</u>	
Total Taxes	\$ 27,000.00	26,940.83	\$ (59.17)
State grants:			
State revenue sharing		52,321.00	
State Metro P.A. 48		<u>1,949.55</u>	
Total State Grants	55,000.00	54,270.55	(729.45)
Charges for services:			
Collection fees	1,500.00	1,393.00	(107.00)
Miscellaneous:			
Interest earned		1,616.30	
Election reimbursements		371.40	
Miscellaneous		<u>195.02</u>	
Total Miscellaneous	<u>2,500.00</u>	<u>2,182.72</u>	<u>(317.28)</u>
Total Revenues	86,000.00	84,787.10	(1,212.90)
<u>Expenditures</u>			
Township board:			
Salaries		1,300.00	
Memberships and dues		420.25	
Printing and publishing		198.00	
Donation - MAGNET		745.00	
Education and Training		<u>65.00</u>	
Total Township Board - Forward	\$ 3,500.00	\$ 2,728.25	\$ 771.75

TOWNSHIP OF FAIRFIELD
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended March 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Total Township Board Forwarded	\$ 3,500.00	\$ 2,728.25	\$ 771.75
<u>Expenditures</u>			
Supervisor:			
Salaries		4,800.00	
Supplies and postage		245.94	
Transportation		337.77	
Miscellaneous		<u>775.55</u>	
Total Supervisor	6,000.00	6,159.26	(159.26)
Elections:			
Salaries		366.00	
Supplies		22.78	
Contracted services		<u>25.00</u>	
Total Elections	2,000.00	413.78	1,586.22
Assessor:			
Contracted Services		3,500.00	
Printing and publishing		<u>197.46</u>	
Total Assessor:	4,000.00	3,697.46	302.54
Clerk:			
Salaries		4,800.00	
Office supplies and postage		483.86	
Transportation		146.61	
Miscellaneous		<u>461.75</u>	
Total Clerk	<u>6,000.00</u>	<u>5,892.22</u>	<u>107.78</u>
Forward	\$ 21,500.00	\$ 18,890.97	\$ 2,609.03

TOWNSHIP OF FAIRFIELD
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended March 31, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Forwarded	\$ 21,500.00	\$ 18,890.97	\$ 2,609.03
<u>Expenditures</u>			
Board of review:			
Salaries		375.00	
Printing and publishing		<u>96.26</u>	
Total Board of Review	700.00	471.26	228.74
Treasurer:			
Salaries		4,800.00	
Office supplies and postage		175.96	
Tax roll preparation		826.25	
Telephone		14.58	
Transportation		148.23	
Miscellaneous		<u>400.00</u>	
Total Treasurer	9,000.00	6,365.02	2,634.98
Hall and grounds:			
Utilities		99.98	
Repairs and maintenance		<u>571.09</u>	
Total Hall and Grounds	750.00	671.07	78.93
Cemetery:			
Salaries		2,400.00	
Repairs and maintenance		<u>7.16</u>	
Total Cemetery	<u>3,000.00</u>	<u>2,407.16</u>	<u>592.84</u>
Forward	\$ 34,950.00	\$ 28,805.48	\$ 6,144.52

TOWNSHIP OF FAIRFIELD
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended March 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Forwarded	\$ 34,950.00	\$ 28,805.48	\$ 6,144.52
<u>Expenditures</u>			
Planning Commission:			
Contracted services		-	
Miscellaneous		-	
Total Planning Commission	100.00	-	100.00
Drain at large:			
County drain tax	500.00	1,191.25	(691.25)
Highways and streets:			
Contracted services	43,000.00	42,934.89	65.11
Street lighting:			
Utilities	1,500.00	1,086.31	413.69
Health:			
Ambulance service	6,000.00	5,960.00	40.00
Parks and recreation:			
Contributions	300.00	-	300.00
Library:			
Contributions	250.00	250.00	-
Forward	\$ 86,600.00	\$ 80,227.93	\$ 6,372.07

TOWNSHIP OF FAIRFIELD
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended March 31, 2006

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Forwarded	\$ 86,600.00	\$ 80,227.93	\$ 6,372.07
<u>Expenditures</u>			
Other functions:			
Social security and medicare		1,403.60	
Insurance and bonds		<u>1,733.00</u>	
Total Other Functions	5,500.00	3,136.60	2,363.40
Capital Outlay:			
Equipment	<u>1,500.00</u>	<u>1,500.59</u>	<u>(0.59)</u>
Total Expenditures	<u>93,600.00</u>	<u>84,865.12</u>	<u>8,734.88</u>
Excess (Deficiency) of Revenues over Expenditures	(7,600.00)	(78.02)	7,521.98
Fund Balance, April 1	<u>112,775.14</u>	<u>112,775.14</u>	<u>-</u>
<u>Fund Balance, March 31</u>	<u>\$ 105,175.14</u>	<u>\$ 112,697.12</u>	<u>\$ 7,521.98</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
MAJOR REVENUE FUNDS

COMBINING BALANCE SHEET

March 31, 2006

	<u>Road Fund</u>	<u>Fire Fund</u>	<u>Cemetery Fund</u>	<u>Total</u>
<u>Current Assets</u>				
Cash in bank	<u>\$ 42,989.50</u>	<u>\$ 21,451.50</u>	<u>\$ 31,795.65</u>	<u>\$ 96,236.65</u>
<u>Fund Balance</u>				
Unreserved	<u>\$ 42,989.50</u>	<u>\$ 21,451.50</u>	<u>\$ 31,795.65</u>	<u>\$ 96,236.65</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
MAJOR FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

Year Ended March 31, 2006

	Road Fund	Fire Fund	Cemetery Fund	Total
<u>Revenues</u>				
Taxes	\$ 42,420.22	\$ 16,020.04	\$ -	\$ 58,440.26
Charges for services	-	2,500.00	400.00	2,900.00
Miscellaneous	272.98	53.39	524.74	851.11
	<u>42,693.20</u>	<u>18,573.43</u>	<u>924.74</u>	<u>62,191.37</u>
Total Revenues				
	42,693.20	18,573.43	924.74	62,191.37
<u>Expenditures</u>				
General government	-	-	811.26	811.26
Public safety	-	16,646.00	-	16,646.00
Public works	41,397.91	-	-	41,397.91
	<u>41,397.91</u>	<u>16,646.00</u>	<u>811.26</u>	<u>58,855.17</u>
Total Expenditures				
	41,397.91	16,646.00	811.26	58,855.17
Excess (Deficiency) of Revenues over Expenditures	1,295.29	1,927.43	113.48	3,336.20
Fund Balances, April 1	41,694.21	19,524.07	31,682.17	92,900.45
<u>Fund Balances, March 31</u>	<u>\$ 42,989.50</u>	<u>\$ 21,451.50</u>	<u>\$ 31,795.65</u>	<u>\$ 96,236.65</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
ROAD FUNDSTATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

Year Ended March 31, 2006

	<u>Actual</u>
<u>Revenues</u>	
Taxes:	
Current property taxes	\$ 42,420.22
Miscellaneous	
Interest earned	<u>272.98</u>
Total Revenues	42,693.20
<u>Expenditures</u>	
Highways and streets:	
Contracted services	<u>41,397.91</u>
Excess (Deficiency) of	
Revenues over Expenditures	1,295.29
Fund Balances, April 1	<u>41,694.21</u>
<u>Fund Balances, March 31</u>	<u>\$ 42,989.50</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
FIRE FUND

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

Year Ended March 31, 2006

	<u>Actual</u>
<u>Revenues</u>	
Taxes:	
Current property taxes	\$ 16,020.04
Charges for services:	
Fire runs	2,500.00
Miscellaneous:	
Interest earned	<u>53.39</u>
Total Revenues	18,573.43
<u>Expenditures</u>	
Fire services:	
Contracted services	<u>16,646.00</u>
Excess (Deficiency) of Revenues over Expenditures	1,927.43
Fund Balances, April 1	<u>19,524.07</u>
<u>Fund Balances, March 31</u>	<u><u>\$ 21,451.50</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
CEMETERY FUND

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

Year Ended March 31, 2006

	<u>Actual</u>
<u>Revenues</u>	
Cemetery lot sales	\$ 400.00
Interest earned	524.74
	<hr/>
Total Revenues	924.74
 <u>Expenditures</u>	
Printing and publishing	55.13
Transportation	26.86
Repairs and maintenance	729.27
	<hr/>
Total Expenditures	811.26
	<hr/>
Excess (Deficiency) of Revenues over Expenditures	113.48
 Fund Balances, April 1	 31,682.17
	<hr/>
<u>Fund Balances, March 31</u>	<u>\$ 31,795.65</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS

Year Ended March 31, 2006

	Balance 4/1/05	Additions	Deductions	Balance 3/31/06
<u>Current Tax Fund</u>				
Assets:				
Cash	\$ 1,050.00	\$ 618,311.31	\$ 618,311.31	\$ 1,050.00
Liabilities:				
Due to state	\$ -	\$ 125,249.60	\$ 125,249.60	\$ -
Due to county	-	153,310.92	153,310.92	-
Due to schools	-	250,491.01	250,491.01	-
Due to villages fire department	-	4,965.86	4,965.86	-
Due to general fund	1,050.00	25,853.66	25,853.66	1,050.00
Due to fire fund	-	16,020.04	16,020.04	-
Due to road fund	-	42,420.22	42,420.22	-
<u>Total Liabilities</u>	<u>\$ 1,050.00</u>	<u>\$ 618,311.31</u>	<u>\$ 618,311.31</u>	<u>\$ 1,050.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF FAIRFIELD
CURRENT TAX FUND

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Year Ended March 31, 2006

<u>Balance, April 1, 2005</u>		\$ 1,050.00
<u>Receipts</u>		
Current property taxes and assessments	\$ 610,177.22	
Dog licenses	580.00	
Tax administration fees	6,089.34	
Summer interest and penalties	273.50	
Drain at large paid by general fund	<u>1,191.25</u>	
Total Receipts		<u>618,311.31</u>
Total Receipts and Balance, April 1, 2005		619,361.31
<u>Disbursements</u>		
State of Michigan	125,249.60	
Shiawassee County	153,310.92	
Clinton Intermediate School	77,192.56	
Ovid-Elsie Public School	173,298.45	
Ovid-Middlebury Fire Department	4,965.86	
General Fund	25,853.66	
Fire Fund	16,020.04	
Road Fund	<u>42,420.22</u>	
Total Disbursements		<u>618,311.31</u>
<u>Balance, March 31, 2006</u>		<u>\$ 1,050.00</u>

See accompanying notes to financial statements.

JAMES M. IRELAND, CPA, PC

6920 S. CEDAR ST., SUITE 3
LANSING, MICHIGAN 48911-6924
PHONE: 517/699-5320

June 15, 2006

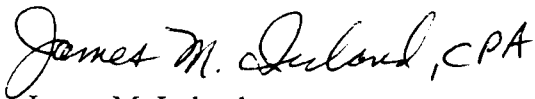
Fairfield Township Board
C/O Vivian Durling
4447 N. Vincent Road
Elsie, MI 48831

Dear Boardmembers:

I have completed my examination of the books and records of Fairfield Township for the year ended March 31, 2006. I wish to make the following comments and recommendations.

The Township did not prepare budgets for the Road Fund, the Fire Fund, or the Cemetery Fund. These are governmental funds and budgets should be prepared for these funds each year, prior to any expenditures.

Thank you,

A handwritten signature in cursive script that reads "James M. Ireland, CPA".

James M. Ireland
Certified Public Accountant

JMI/cmv